

ASE Inc. 2006 Q1 Earnings Release

Presented by
Advanced
Semiconductor
Engineering, Inc.
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Consolidated Income Statement



2006 Q1 Sequential Comparison

(NT\$ Million except EPS)	2006 Q1	%	2005 Q4	%	Change
Net Revenues:					
IC Packaging	17,831	71.8%	18,730	70.9%	-5%
Testing	5,123	20.6%	5,267	19.9%	-3%
Module Assembly	1,475	5.9%	2,054	7.8%	-28%
Others	408	1.6%	353	1.3%	16%
Total Net Revenues	24,837	100.0%	26,404	100.0%	-6%
Gross Profit	6,635	26.7%	6,555	24.8%	1%
Operating Profit	4,685	18.9%	4,252	16.1%	10%
Pretax Income(Loss)	4,083	16.4%	3,298	12.5%	24%
Income Tax(Expense)	(18)	-0.1%	(46)	-0.2%	
Income(Loss) from Discontinuing Operations	0	0.0%	230	0.9%	
Cumulative Effect of Change in Accounting Principle	(457)	-1.8%	0	0.0%	
MI in Net Loss(Income)	(426)	-1.7%	(540)	-2.0%	
Net Income(Loss)	3,182	12.8%	2,942	11.1%	8%
EPS¹	0.69		0.65		6%
EBITDA	7,953	32.0%	7,781	29.5%	2%

¹ All EPS figures are based on fully diluted number of shares

Consolidated Income Statement



2006 Q1 YoY Comparison

(NT\$ Million except EPS)	2006 Q1	%	2005 Q1	%	Change
Net Revenues:					
IC Packaging	17,831	71.8%	12,755	71.6%	40%
Testing	5,123	20.6%	3,693	20.7%	39%
Module Assembly	1,475	5.9%	1,179	6.6%	25%
Others	408	1.6%	196	1.1%	108%
Total Net Revenues	24,837	100.0%	17,823	100.0%	39%
Gross Profit	6,635	26.7%	1,821	10.2%	264%
Operating Profit	4,685	18.9%	(211)	-1.2%	
Pretax Income(Loss)	4,083	16.4%	(531)	-3.0%	
Income Tax(Expense)	(18)	-0.1%	146	0.8%	-112%
Income(Loss) from Discontinuing Operations	0	0.0%	23	0.1%	
Cumulative Effect of Change in Accounting Principle	(457)	-1.8%	0	0.0%	
MI in Net Loss(Income)	(426)	-1.7%	234	1.3%	-282%
Net Income(Loss)	3,182	12.8%	(128)	-0.7%	
EPS ¹	0.69	0.0%	(0.03)	0.0%	
EBITDA	7,953	32.0%	3,942	22.1%	102%

¹ All EPS figures are based on fully diluted number of shares

Consolidated Revenue & Margin Trend



NT\$ Million

30,000

20,000

10,000

0

30%

20%

10%

0%

-10%

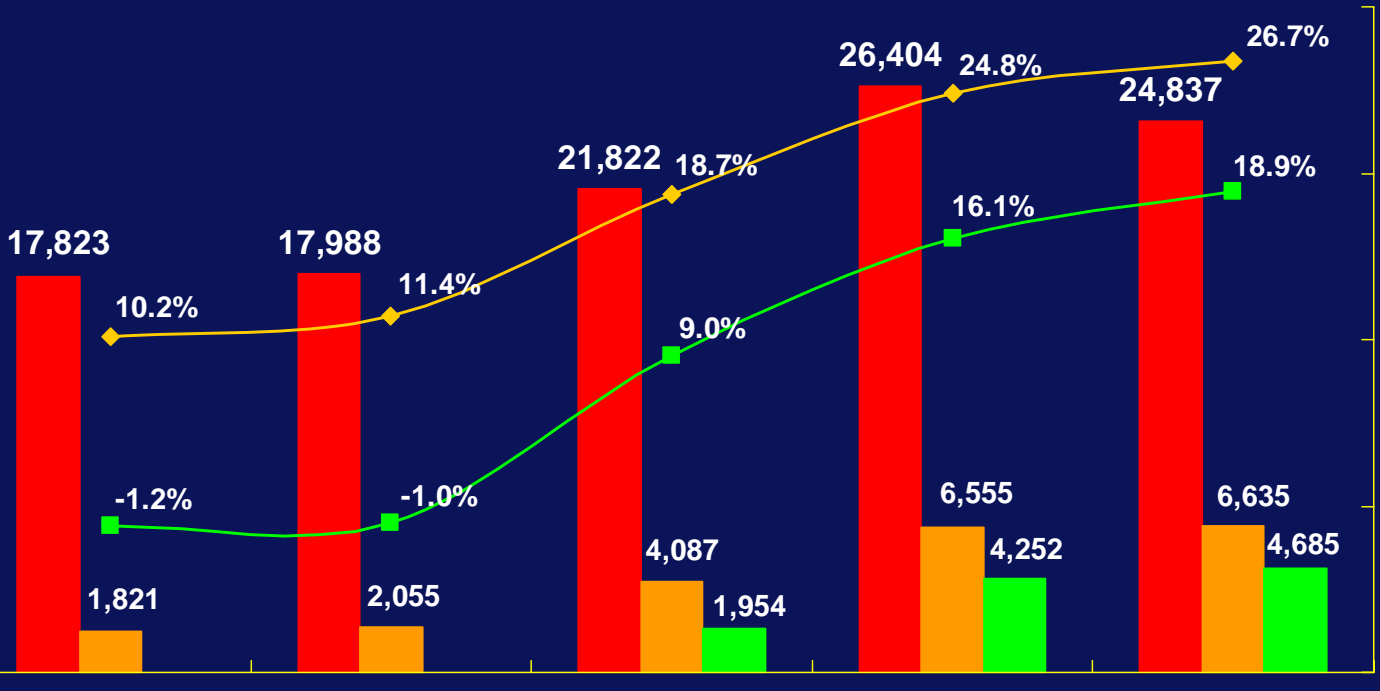
Q1/05

Q2/05

Q3/05

Q4/05

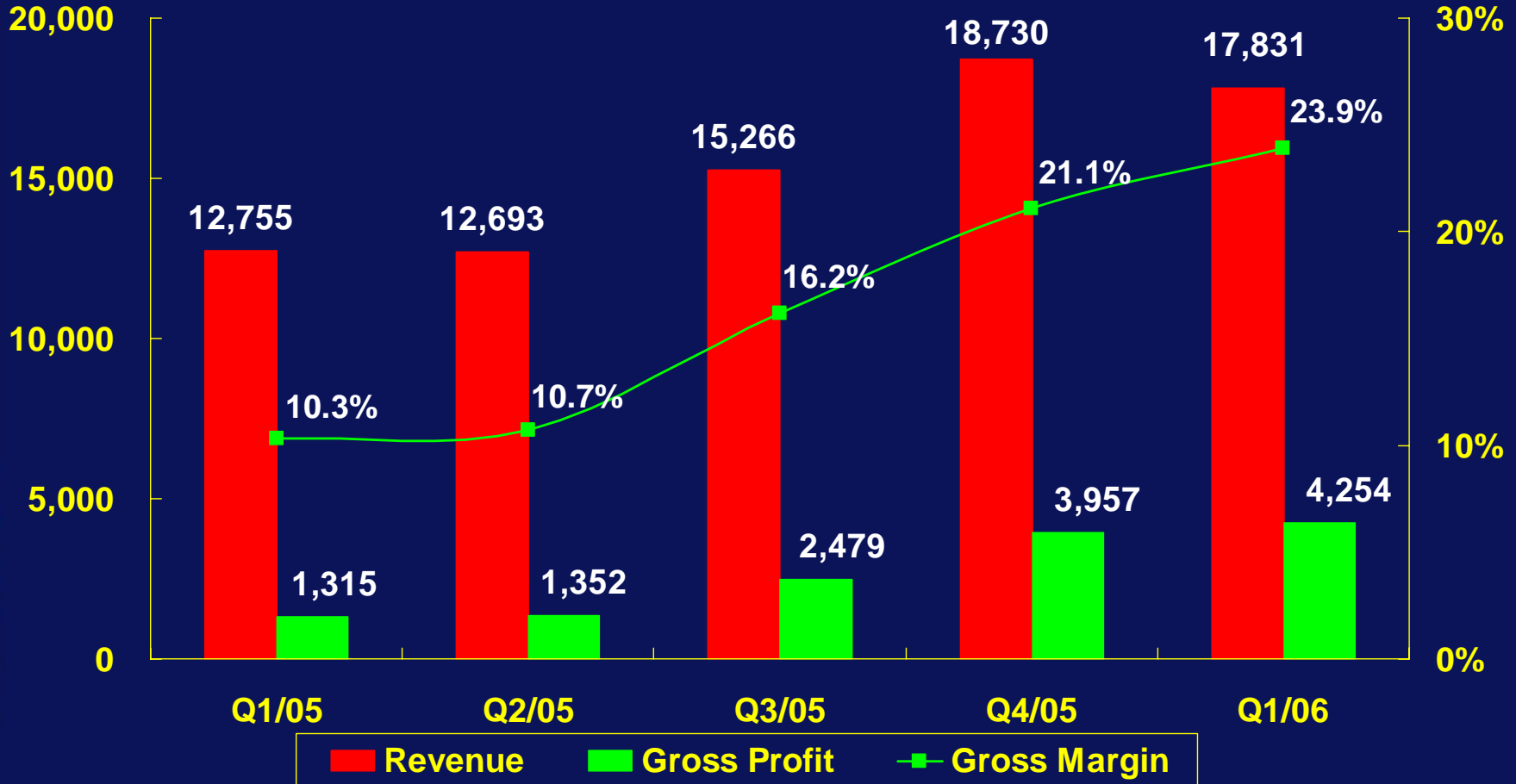
Q1/06



IC Packaging Operations



NT\$ Million

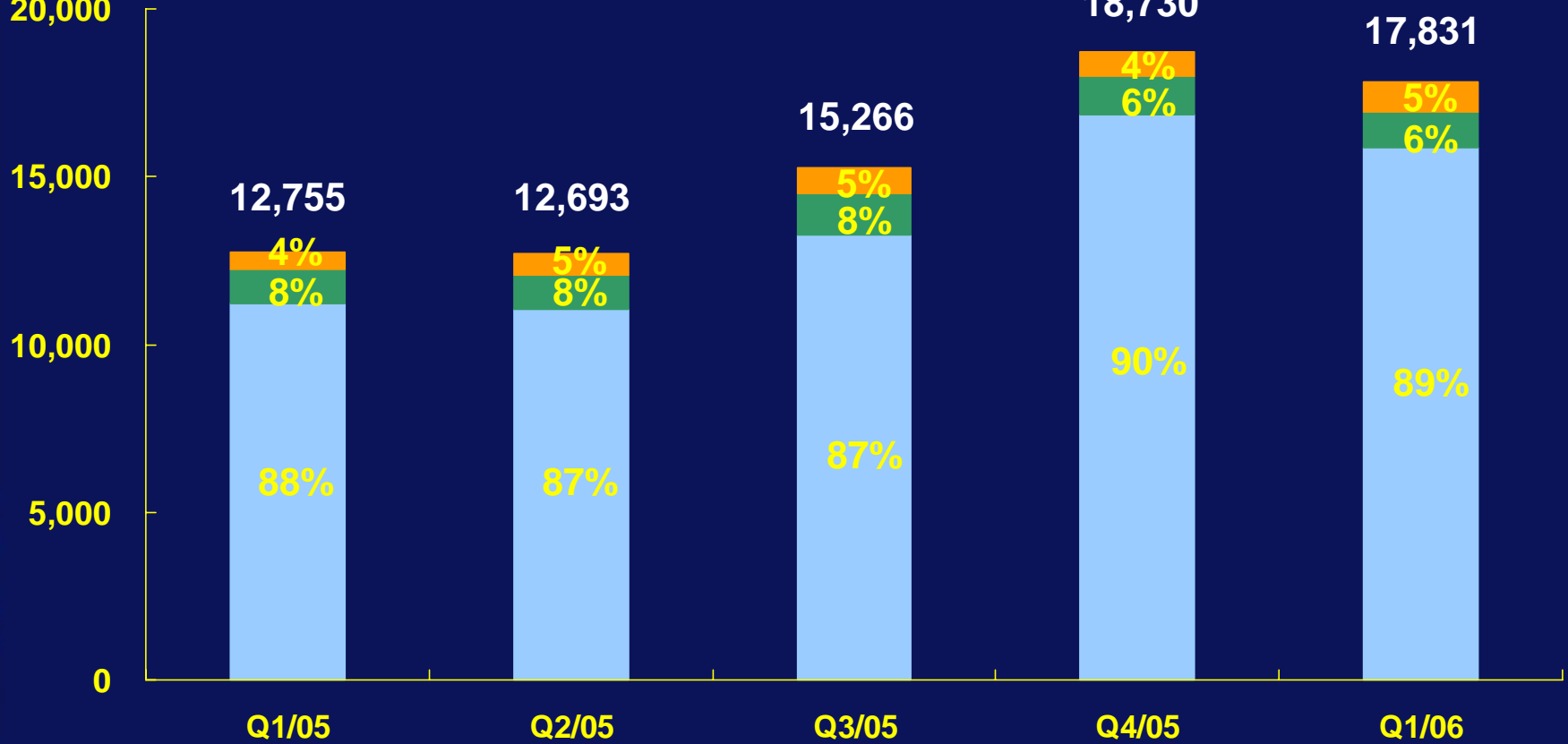




IC Packaging Operations

Package Revenue Breakdown

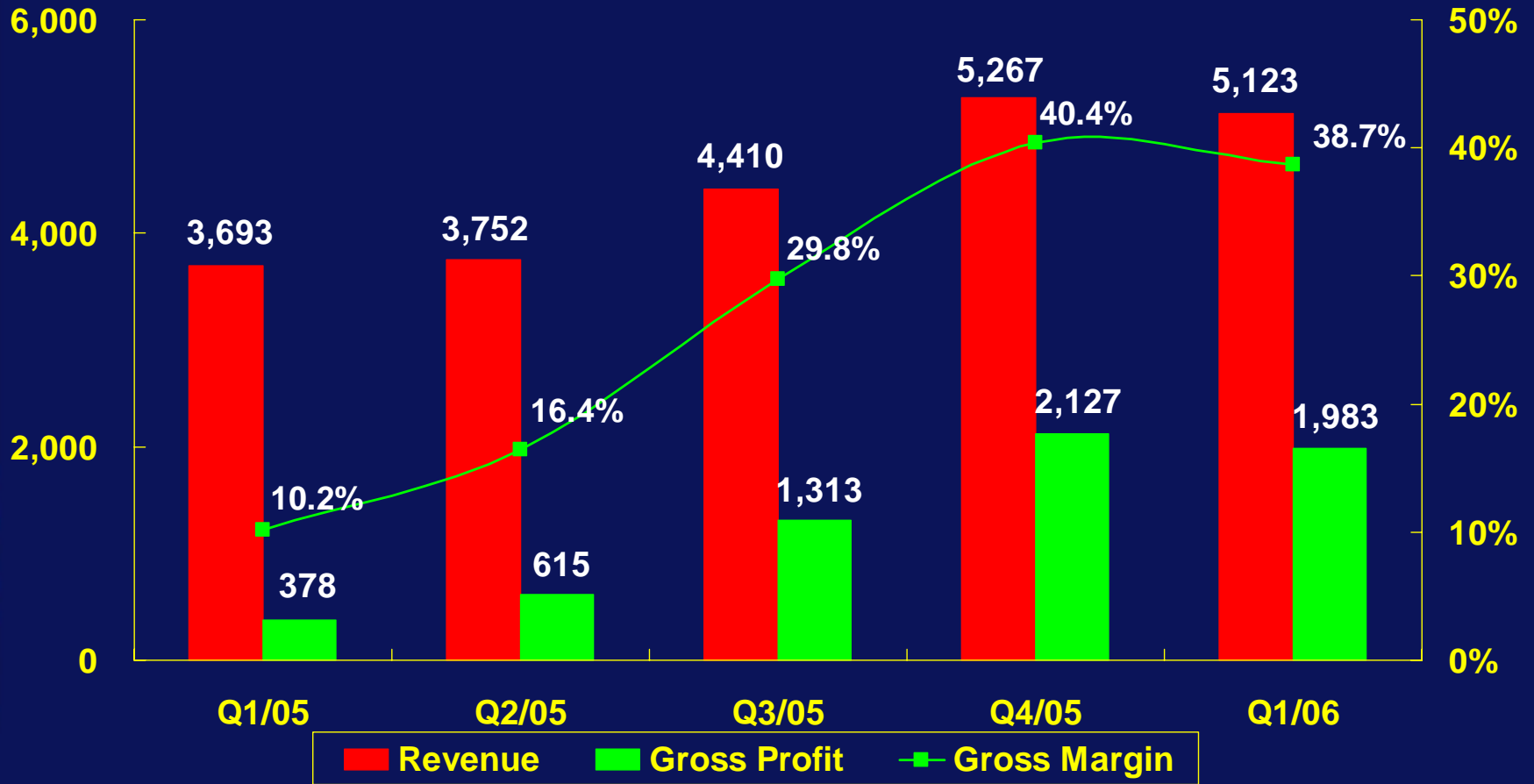
NT\$ Million
20,000



Testing Operations



NT\$ Million

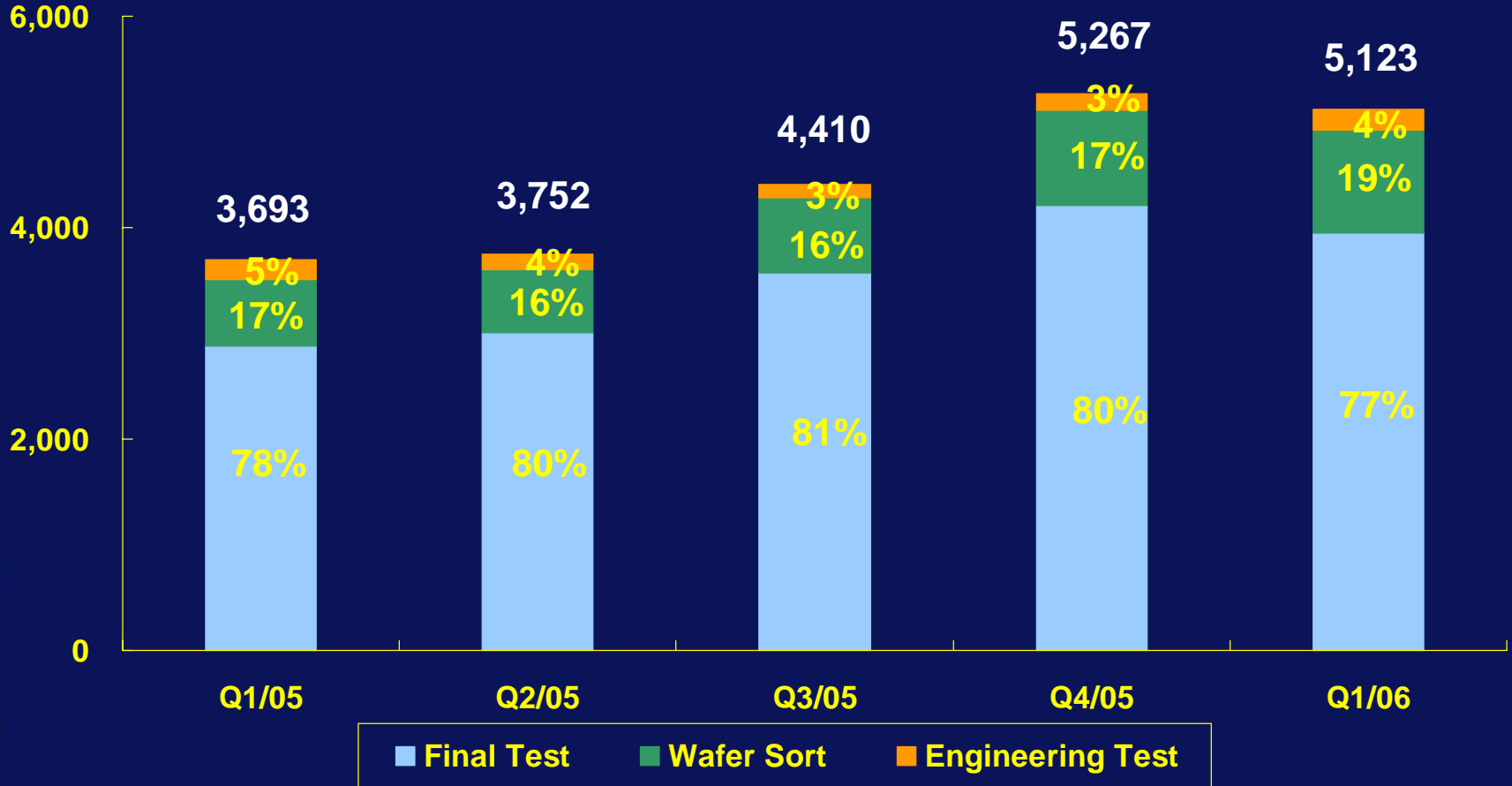




Testing Operations

Test Revenue Breakdown

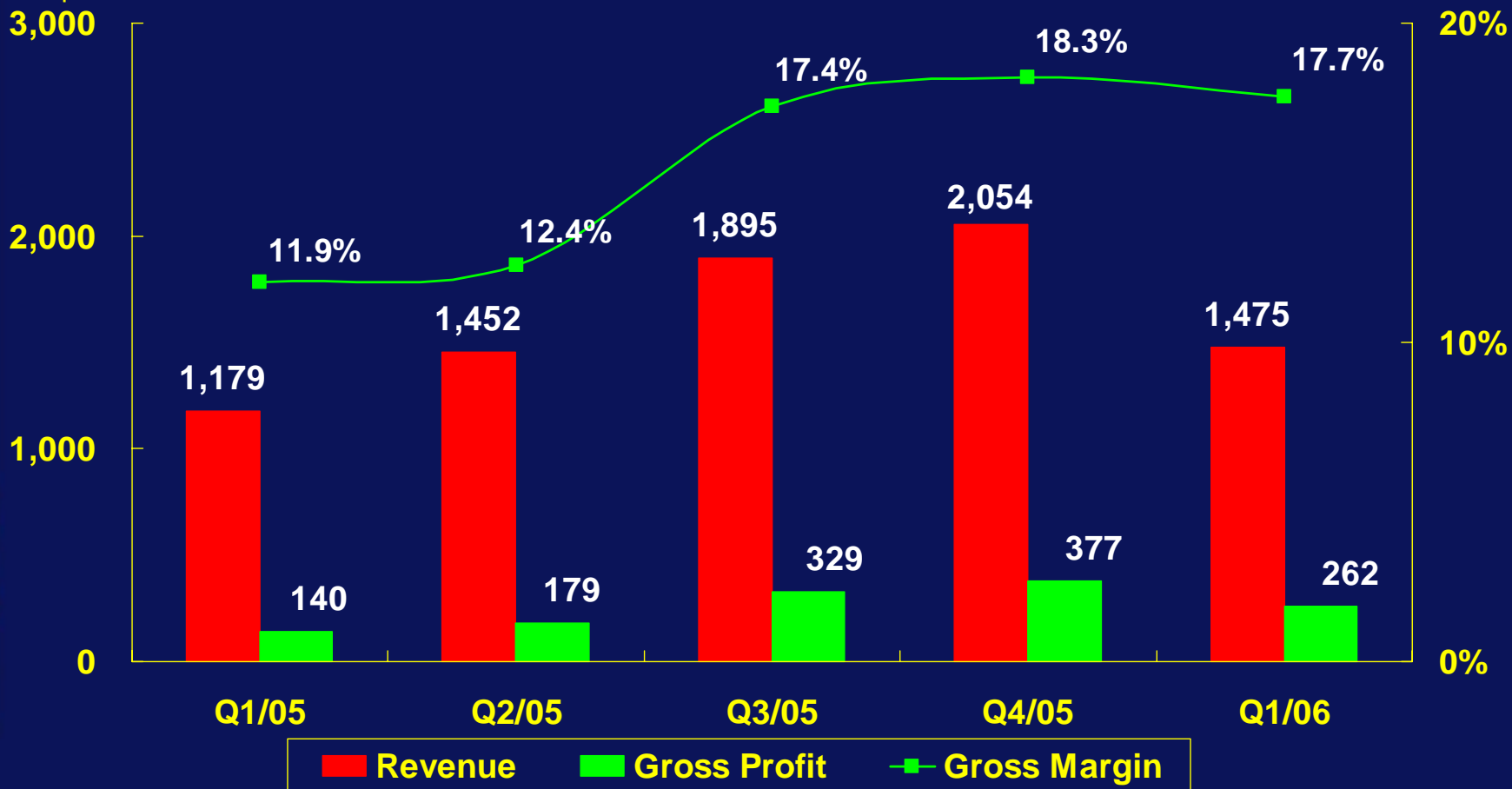
NT\$ Million



Module Assembly Operations



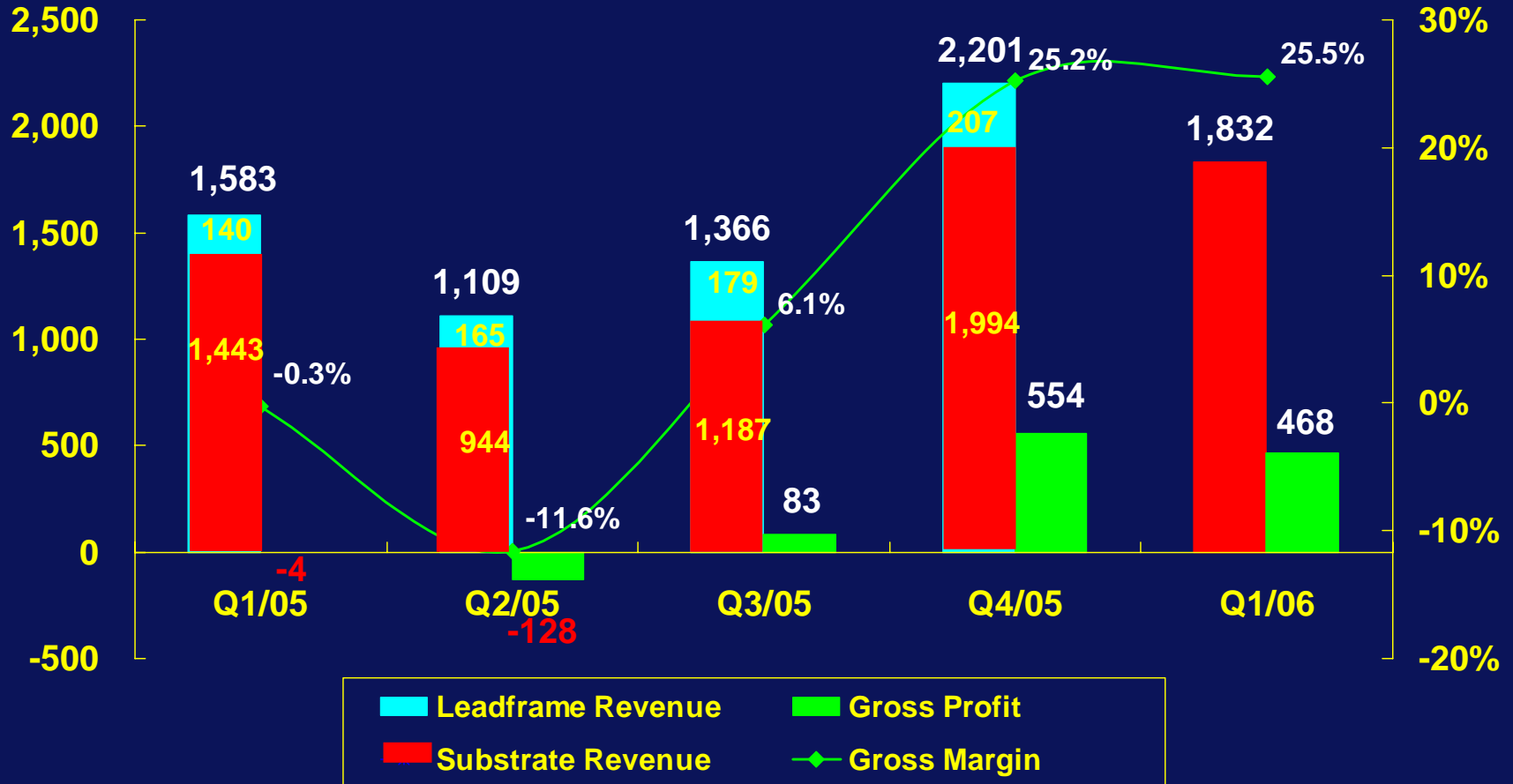
NT\$ Million



Material Operations



NT\$ Million



Selective Balance Sheet Information



(NT\$ Million)	<u>Mar. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>Change</u>
Cash and Cash Equivalent	10,261	13,264	-22.6%
Financial Assets - current	6,895	4,353	58.4%
Financial Assets - non current	5,138	4,898	4.9%
Total Assets	129,574	131,255	-1.3%
ST Bank Debt - Revolving Credit	5,327	5,085	4.8%
- Current Portion of LT Debt	4,586	5,438	-15.7%
Bonds Payable within 1 year	0	0	
LT Bank Debt	30,944	33,500	-7.6%
LT Bonds Payable	9,342	9,362	-0.2%
Total Net Worth (Including minority interest)	58,814	54,980	7.0%
Quarterly EBITDA	7,953	7,781	2.2%
Current Ratio	1.63	1.54	
Leverage Ratio	0.56	0.65	

Maximum with Minimum

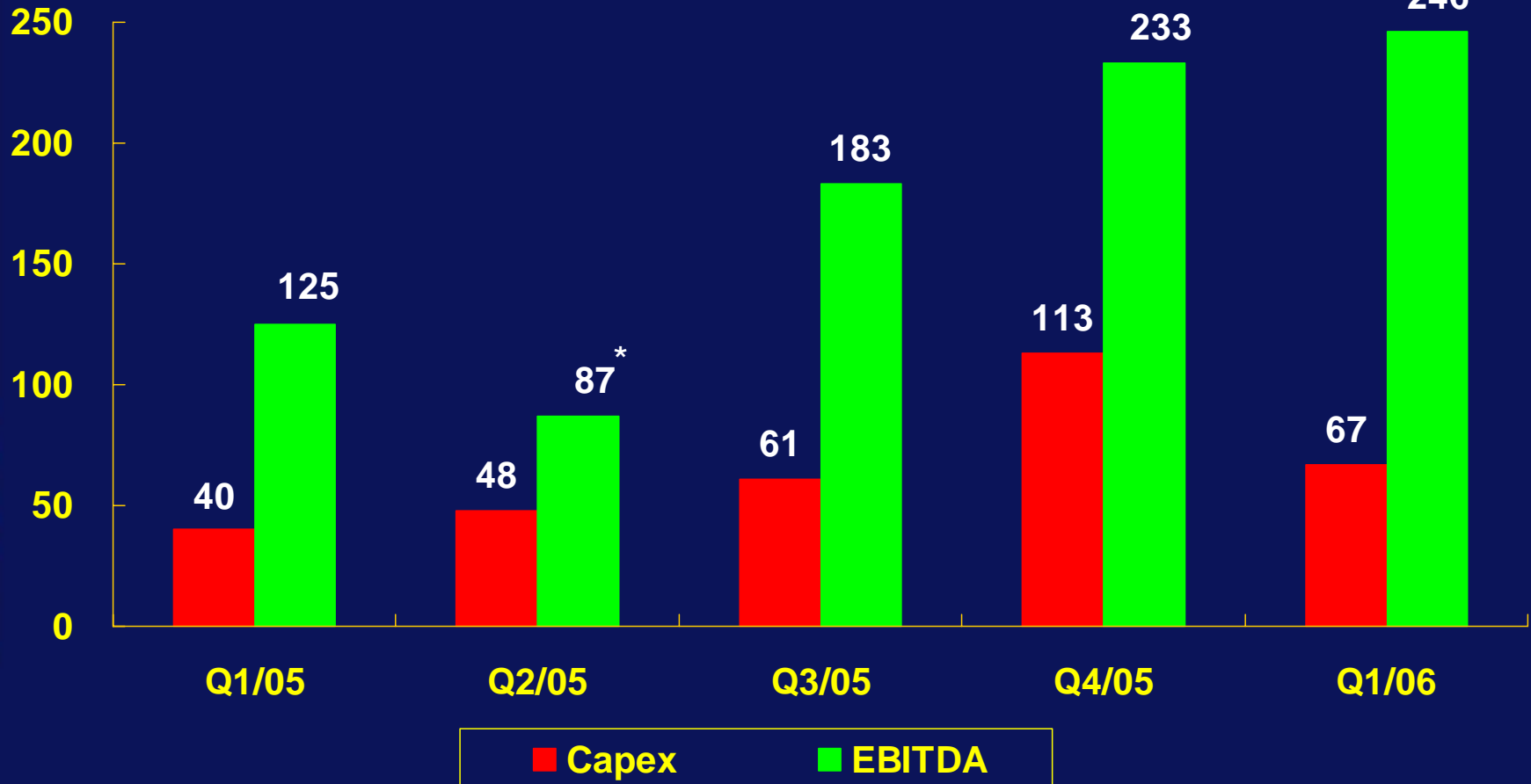


Capital Expenditure v.s. EBITDA



2005 Full Year Capex: US\$262 millions

US\$ Million



*: EBITDA number has been adjusted for fire loss



Top Ten Customers

2006 Q1

ASE Group

ATI

CAMBRIDGE

CONEXANT

FREESCALE

MICROSOFT

NEC

QUALCOMM

RFMD

SIS

VIA

Top 5

Top 10

29% of Total Sales

46% of Total Sales

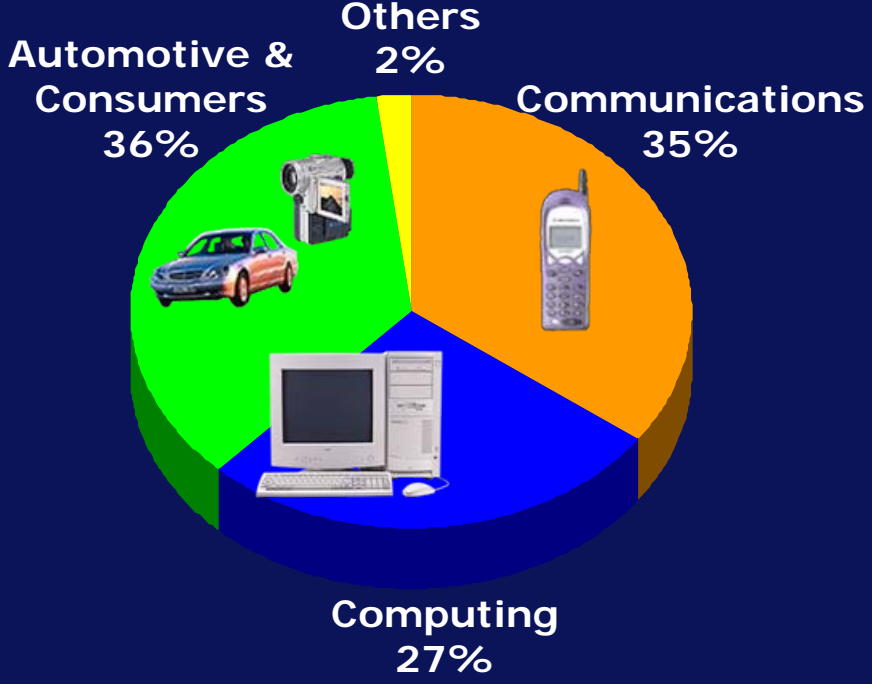
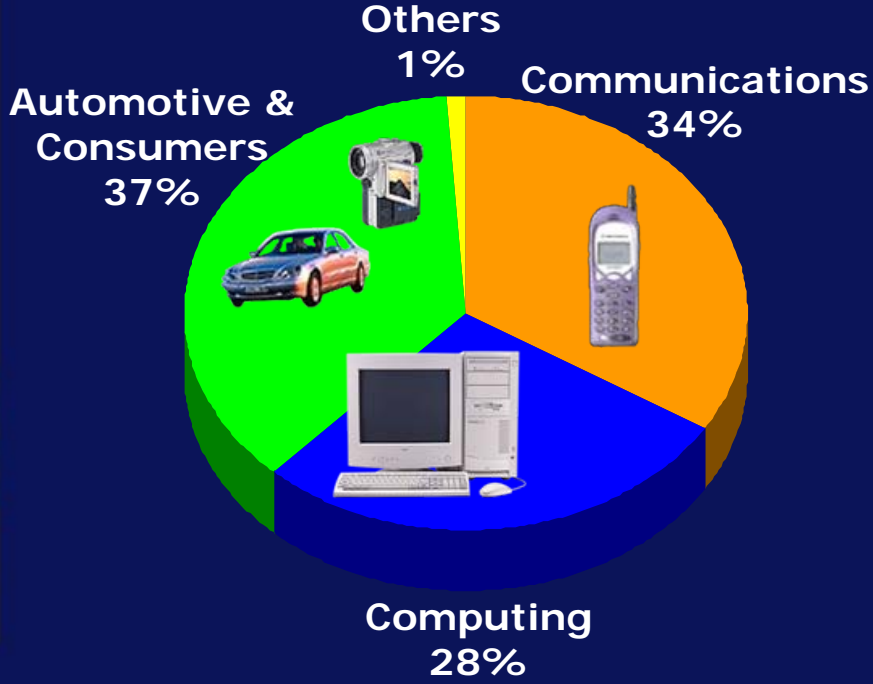


Market Segment Exposure



2006 Q1

2005 Q4



Maximum with Minimum

Guidance for 2006 Q2



- > Revenue: up low to mid single digits sequentially
- > Gross margin: slightly up sequentially
- > 2006 full year Capex: US\$400 million
 - > IC packaging: US\$125 million
 - > IC testing: US\$75 million
 - > Substrate: US\$200 million



**For more information regarding
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